

## TAX CREDIT ANALYSIS

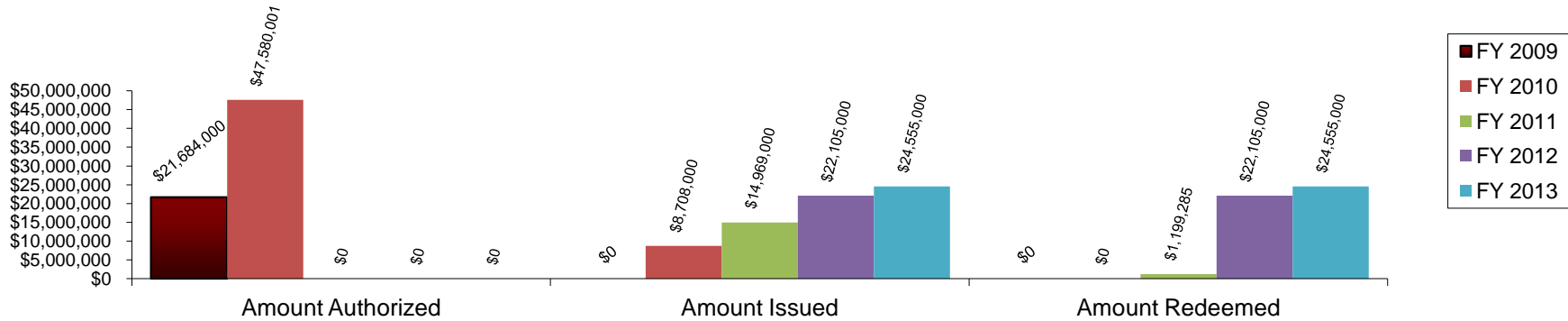
### TAX CREDIT ANALYSIS

<b>Program Name:</b> New Markets Tax Credit (NMTC)					
<b>Department:</b> Economic Development		<b>Contact Name &amp; No.:</b> Ann Perry 522-8006			<b>Date:</b> October 2011
<b>Program Category:</b> Redevelopment		<b>Type:</b> Tax Credit <input checked="" type="checkbox"/> Other (specify) _____			
<b>Statutory Authority:</b> 135.680		<b>Applicable Taxes:</b> Income tax, bank tax, insurance premium tax, other financial institutions tax, Express companies tax			
<b>Program Description and Eligibility Requirements:</b> Taxpayers making a qualified equity investment into a qualified community development entity (CDE) earn a vested right to tax credits. The tax credit amount is equal to the applicable percentage of the adjusted purchase price paid to the CDE. The credit percentages are zero percent for the first two years, seven percent for the third year and eight percent for the next four years. The CDE will invest the contributions into qualified active low-income community businesses. Effective August 28, 2008, a legislative change allows DED to issue letter rulings regarding the program.					
<b>Explanation of How Award is Computed:</b> Entitlement <input type="checkbox"/> Discretionary <input type="checkbox"/> Awarded on a first come, first serve basis. This is a fiscal year credit.					
<b>Program Cap:</b> Cumulative \$ _____ (remainder of cumulative cap) \$ _____ Annual \$ \$25M _____ None _____ <b>Explanation of cap:</b> DED shall limit the monetary amount of qualified equity investments to a level necessary to limit tax credit utilization to no more than \$15M of tax credits in any fiscal year. <b>Effective 6/4/2009, cap increased to \$25M.</b>					
<b>Explanation of Expiration of Authority:</b> Following FY2010, no equity investments shall be made unless program shall be reauthorized. This program automatically sunsets 6 years after the effective date of 9/4/2007 unless reauthorized.					
<b>Specific Provisions:</b> (if applicable) Carry forward <input type="text" value="5"/> years Carry Back _____ years Refundable _____ Sellable/Assignable _____ Additional Federal Deductions Available _____					
<b>Comments on Specific Provisions:</b>					
	<b>FY 2009 ACTUAL</b>	<b>FY 2010 ACTUAL</b>	<b>FY 2011 ACTUAL</b>	<b>FY 2012 (current year)</b>	<b>FY 2013 (budget year)</b>
Certificates Issued (#)	0	6	12	18	22
Projects (#)	0	6	11	18	22
Amount Authorized	\$21,684,000	\$47,580,001	\$0	\$0	\$0
Amount Issued	\$0	\$8,708,000	\$14,969,000	\$22,105,000	\$24,555,000
Amount Redeemed	\$0	\$0	\$1,199,285	\$22,105,000	\$24,555,000
EST. Amount Outstanding	N/A	N/A	\$22,477,715	N/A	N/A
EST. Amount Authorized but Unissued	N/A	N/A	\$97,028,000	N/A	N/A

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### HISTORICAL AND PROJECTED INFORMATION



**Comments on Historical and Projected Information:** Allocations of tax credits to Community Development Entities started in FY08, however, since the program will not issue tax credits until 2010, the credits will not be authorized, issued or redeemed until that time.

### BENEFIT: COST ANALYSIS (includes only state revenue impacts)

	FY 2011 ACTUAL	Other Fiscal Period (indicated time period)	Derivation of Benefits:  No New Authorizations in FY11.
<b>BENEFITS</b>			
Direct Fiscal Benefits			
Indirect Fiscal Benefits			
<b>Total</b>	0	0	
<b>COSTS</b>			
Direct Fiscal Costs			
Indirect Fiscal Costs			
<b>Total</b>	0	0	
<b>BENEFIT: COST</b>	<b>#DIV/0!</b>	<b>#DIV/0!</b>	

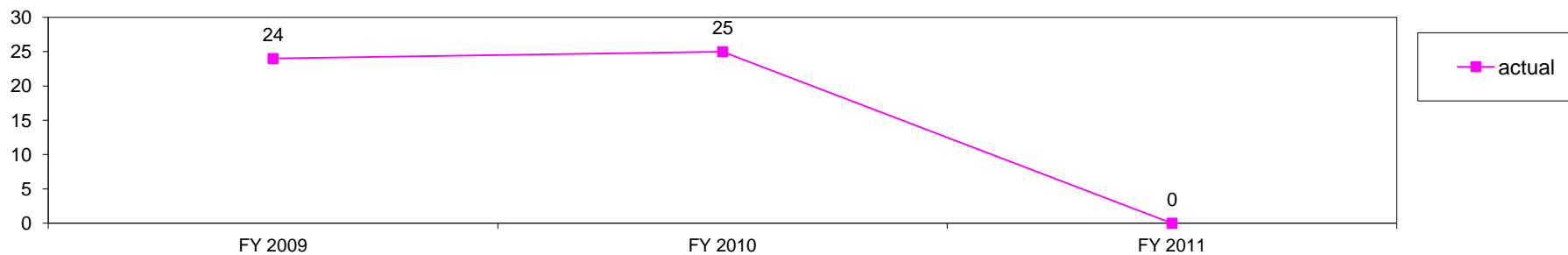
**Other Benefits:**

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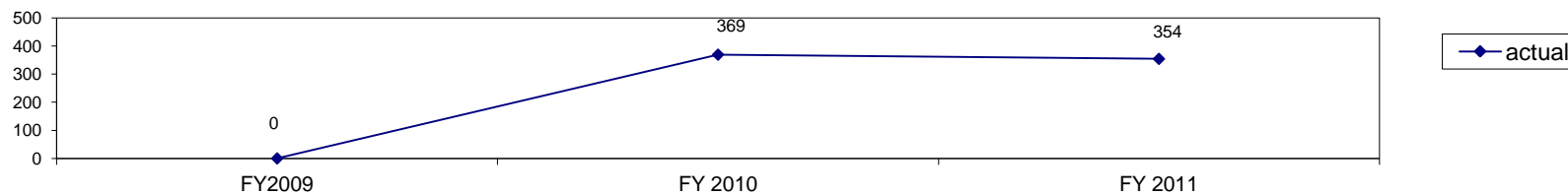
### PERFORMANCE MEASURE(S)

#### Businesses Receiving Investment



**Comments on Performance Measure:**

#### Jobs Created



**Comments on Performance Measure:**